



## MONTHLY STOCKS INVESTMENT PLAN TERMS & CONDITIONS

The following terms and conditions apply to Bank of Communications (Hong Kong) Limited's Monthly Stocks Investment Plan.

### 1. DEFINITIONS

In these Terms & Conditions:

"Applicant" means all or any of the applicant(s) named in the Application, and includes their heirs, personal representatives, successors and assigns;

"Application" means the application form submitted by the Applicant to the Bank in the form prescribed by the Bank from time to time for the Plan;

"Bank" means Bank of Communications (Hong Kong) Limited, and includes its successors and assigns;

"Banking Day" means a day on which banks are normally open for business in Hong Kong;

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;

"Investment Instructions" means the investment instructions given by the Applicant in the Application, subject to changes from time to time made in accordance with Clause 6;

"Payment Account" means the Hong Kong dollar account designated by the Applicant and accepted by the Bank for the purpose of making contributions to the Plan;

"Plan" means the "Monthly Stocks Investment Plan" offered by the Bank to the Applicant;

"Payment Date" means the sixth (6<sup>th</sup>) day of each calendar month, subject to changes from time to time as notified by the Bank to the Applicant (if the Payment Date falls on a day other than a Banking Day, the Payment Date shall fall on the next Banking Day);

"SEHK" means The Stock Exchange of Hong Kong Limited, and includes its successors;

"SEHK Trading Day" means a day on which SEHK is open for business;

"Stock" means the stocks made available by the Bank for selection by the Applicant from time to time for the purpose of the Plan;

"Stock Account" means the account with the Bank designated by the Applicant for the purpose of depositing all Stock purchased under the Plan;

"Total Monthly Investment Amount" means the total monthly investment amount specified by the Applicant in the Application, subject to changes from time to time in accordance with Clause 6; and

"Transaction Date" for each Stock chosen by the Applicant in the Investment Instructions means, depending on the group as specified by the Bank from time to time to which that Stock belongs, the third or fourth SEHK Trading Day (as the case may be) following the Payment Date.

### 2. GENERAL

2.1 The Applicant may select any Stock for the Plan.

2.2 The Bank is entitled to prescribe from time to time the minimum monthly investment amount for each Stock required to be paid by the Applicant to the Plan.

2.3 **The Bank reserves the right to refuse to purchase any Stock for the Plan on behalf of the Applicant at any time without assigning any reason by giving the Applicant at least 7 Banking Days' prior notice in writing to such effect.**

### 3. MONTHLY CONTRIBUTIONS

The Applicant agrees to pay the Total Monthly Investment Amount to the Plan on each Payment Date, commencing from a Payment Date mutually agreed between the Bank and the Applicant, by direct debit from the Payment Account of the Total Monthly Investment Amount provided that the first payment can be made by a crossed cheque drawn by the Applicant in favour of " Bank of Communications (Hong Kong) Limited -MSIP" or in such other manner as specified by the Bank.

#### 4. INVESTMENT

- 4.1 The Bank will use all contributions to the Plan paid by the Applicant **after deducting all fees and charges applicable to the Plan in accordance with Clause 9.2** to purchase the maximum whole number of shares of the Stock selected by the Applicant for the Plan.
- 4.2 The Bank will make the purchase starting from about 12:00 noon on the applicable Transaction Date subject to receipt of the relevant contribution by the Bank on or before the Payment Date or such later date as agreed by the Bank.
- 4.3 Any contribution paid by the Applicant remaining after each purchase will be refunded **(without interest)** to the Applicant within 3 Business Days following the completion of the settlement of the purchase by credit to the Stock Account.
- 4.4 If trading of any Stock selected by the Applicant is suspended on the applicable Transaction Date, the Bank may at its discretion either (a) make the relevant purchase as soon as practicable thereafter or (b) refund the relevant contribution to the Applicant **(without interest)** in accordance with Clause 4.3. However, the Bank shall refund the relevant contribution to the Applicant **(without interest)** in accordance with Clause 4.3 if such suspension lasts for 3 consecutive SEHK Trading Days.
- 4.5 If the Bank is unable to purchase any Stock to satisfy the Applicant's Investment Instructions in full due to market conditions or other reasons, the Bank may at its discretion either (a) effect the relevant purchase as soon as practicable thereafter or (b) refund the relevant contribution to the Applicant **(without interest)** in accordance with Clause 4.3. However, the Bank shall refund the relevant contribution to the Applicant **(without interest)** in accordance with Clause 4.3 if the Bank fails to make any purchase for 3 consecutive SEHK Trading Days.
- 4.6 **For the avoidance of doubt, no interest will be payable by the Bank on any contribution for the period between the Payment Date and the actual date of settlement of the purchase of the relevant Stock.**
- 4.7 **The Bank is entitled to combine the Applicant's purchase orders with similar orders of other persons (including other applicants of the Plan or other clients) and, without having to make prior disclosure to the Applicant, to retain any benefit arising from combining such orders.**
- 4.8 **The Bank may sell any Stock as principal or on behalf of other persons (including other applicants of the Plan or other clients) to the Applicant in order to satisfy the Applicant's purchase order.**

#### 5. INSUFFICIENT PAYMENT

- 5.1 If the amount actually received by the Bank by direct debit is less than the full amount of a contribution payable by the Applicant on a Payment Date, unless alternative arrangement acceptable to the Bank has been put in place before the applicable Transaction Date, the Bank may at its discretion either (a) apply the available funds towards purchase of the relevant Stock **in the ascending order of the stock codes or as otherwise agreed between the Bank and the Applicant** or (b) make no purchase and refund the relevant contribution to the Applicant **(without interest)** in accordance with Clause 4.3
- 5.2 All Stock purchased on behalf of the Applicant by the Bank under the Plan shall be deposited into the Stock Account immediately after the completion of the settlement of each purchase.

#### 6. VARIATION OF THE INVESTMENT INSTRUCTIONS ETC.

The Applicant may change the selected Stock, the Total Monthly Investment Amount and the Investment Instructions by completing and delivering to the Bank such alteration form and complying with such other requirements or procedures as from time to time prescribed by the Bank at least 7 Banking Days' before the proposed change takes effect **provided that no change in the Total Monthly Investment Amount shall result in the amount specified for each Stock being less than the minimum monthly investment amount for that Stock prescribed by the Bank from time to time.**

#### 7. SHAREHOLDER'S RIGHTS

The Bank shall pay to the Applicant any dividend or distribution received by the Bank in relation to any Stock comprised in the Plan in the same manner as other securities in the Stock Account subject to the terms and conditions governing the Stock Account from time to time.

#### 8. SALE OF STOCK

The Applicant may instruct the Bank to sell any Stock comprised in the Plan (including odd-lot shares) in the same manner as other securities in the Stock Account subject to the terms and conditions governing the Stock Account from time to time.

## 9. FEES AND CHARGES

- 9.1 The Applicant agrees to pay to the Bank all fees and charges (including, without limitation, stamp duty and levy payable for the purchase of any Stock on its behalf, custodian, brokerage, service and/or other administrative fees and charges) in accordance with the schedule of fees and charges applicable to the Plan as amended by the Bank from time to time by 30 days' prior notice.
- 9.2 The Bank is authorized to deduct any fees and charges applicable to the Plan other than custodian fees payable by the Applicant from any contributions made by the Applicant to the Bank to the Plan.

## 10. NON-RELIANCE/RISK DISCLOSURE

- 10.1 The Applicant acknowledges that the Bank has no intention to give any investment advice to the Applicant in relation to any of its investments made under the Plan. The Applicant declares that it has not relied on the Bank in respect of any of its investments made under the Plan and all decisions made by it in relation to the Plan are its own after seeking such independent and professional advice as it deems fit.
- 10.2 The Applicant acknowledges that the price of securities fluctuates, sometimes dramatically, and the price of a security may move up or down, and may even become valueless, and it is as likely that losses will be incurred rather than profit made as a result of buying and selling securities.
- 10.3 The Applicant acknowledges that the Plan does not assure a profit, nor does it protect against loss in declining markets or if the Applicant withdraws from the Plan when the then market value of the Stock is less than the cost of the Stock when the purchase was made.

## 11. TERMINATION

- 11.1 The Applicant or the Bank may terminate the Plan at any time by notifying the other party in writing at least one month before the proposed termination date, provided that if the Applicant is required to complete and deliver to the Bank such alteration form and complying with such other requirements or procedures as from time to time prescribed by the Bank before the termination takes effect .
- 11.2 Notwithstanding Clause 11.1, the Bank shall be entitled to terminate the Plan at any time if:
- (i) the Applicant fails to pay the Total Monthly Investment Amount in full on a Payment Date; or
  - (ii) the Stock Account is suspended or closed for whatever reason.
- 11.3 The Bank reserves the right to charge handling and/or administrative fees in connection with the termination of the Plan.

## 12. ASSIGNMENT

- 12.1 The Applicant may not assign or transfer any of its rights and obligations under the Plan to any third party.
- 12.2 The Bank may at any time assign or transfer any or all of its rights and/or obligations under the Plan to any third party. The Bank is authorized to disclose to any actual or potential assignee or transferee such information about the Applicant and the Plan or such other information as the Bank shall consider appropriate for the purpose of the proposed assignment or transfer.

## 13. NOTICE

- 13.1 The Bank may give any notice or other communication to the Applicant at the correspondence address of the Applicant according to the Bank's records for the Stock Account. Any such notice or communication sent by the Bank to such address, whether by mail or messenger, shall be deemed to have been duly served on the Applicant 2 days after posting or at the time of delivery (as the case may be) notwithstanding the Applicant has not actually received the same.
- 13.2 All notices or other communications to the Bank must be delivered to and actually received by the Bank at the address from time to time specified by the Bank for such purpose to be effective.

## 14. AMENDMENT

These Terms and Conditions may be varied, amended, modified or supplemented by the Bank at any time by given reasonable notice to the Applicant.

## 15. PARTIAL INVALIDITY

If any of these Terms and Conditions is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining Terms and Conditions are not in any way be affected.

**16. GOVERNING LAW**

- 16.1 These Terms and Conditions are governed by Hong Kong law and are subject to all applicable rules, regulatory directions, codes and guidelines of SEHK and the Securities and Futures Commission.
- 16.2 The parties irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts.

**17. VERSION**

If there exists any inconsistency between the English and Chinese versions of these Terms and Conditions, the English version shall prevail.